



STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
CHARLES J. KROGMEIER, DIRECTOR

September 30, 2009

The Honorable Chester J. Culver
State Capitol
Des Moines, Iowa 50319

Dear Governor Culver:

On behalf of the Council on Human Services, I am pleased to present our budget recommendations for the Department for SFY 2011. The fourteen offers provide an overview of the results achieved in our work with a growing number of Iowans who access our services. The funding needed to sustain the array of services is detailed in the financial information following each offer.

The recessionary impacts on shrinking revenue and on demand for services played significantly in the development of our recommendations for SFY 2011 funding. As the recession has deepened over the past several months, growth in the number of Iowans eligible for services has exceeded estimates. For example, the number of FIP recipients, which had gradually decreased over the past decade, has begun to grow, and the number of Iowans eligible for health care coverage through Medicaid topped 400,000, many of them children.

Federal funds available to Iowa and many of our programs for SFY 2009 and 2010 through the American Recovery and Reinvestment Act (ARRA) were effective in minimizing the impact of declining state revenues. As a result, the State was spared what would have likely been painful cuts to program and service delivery during the current year. However, ARRA funds will end mid-year SFY 2011, resulting in the need to restore just under \$170 M to simply maintain existing services. We have assumed restoration of those funds in our recommendation. As a result, the increase in funding for DHS programs in SFY 11 is just .31%.

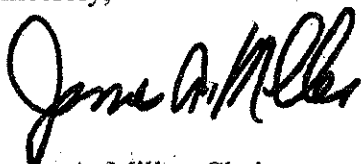
At that funding level, we will maintain critical safety net services and their delivery, as well as continue the expansion of health care coverage for Iowa's uninsured children. Although the need is significant, we are not recommending additional staff to provide relief in managing increasing caseloads nor have we proposed increases in rates for those who provide these critical services.

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As you know, there are many uncertainties as we present our recommendations at both Federal and State levels. We remain committed to the work of the Department and the critical roles it plays in the lives of nearly 900,000 Iowans annually.

As always, should you have questions, the Council and Department staff are available to assist in your deliberations.

Sincerely,

A handwritten signature in black ink, appearing to read "James A. Miller". The signature is fluid and cursive, with the first name "James" being the most prominent.

James A. Miller, Chair
Council on Human Services

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